

# Thai sugarcane production - How does it compare to global competitors?

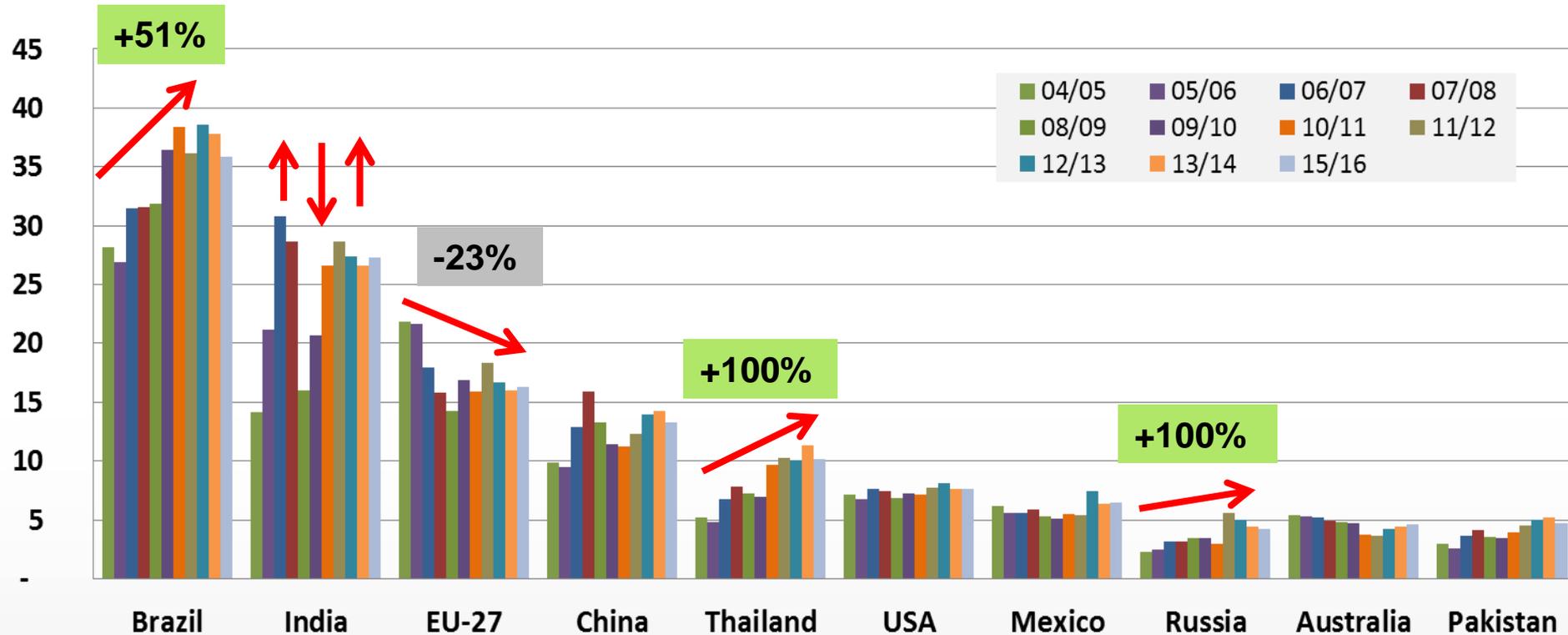
Dr. Pipat Weerathaworn, Samuel Balieiro



# Agenda

- **Overview of sugar production and exporters**
- **Sugar typical farms and partners**
- **Yields developments**
- **Typical farms production costs**
- **Summary**

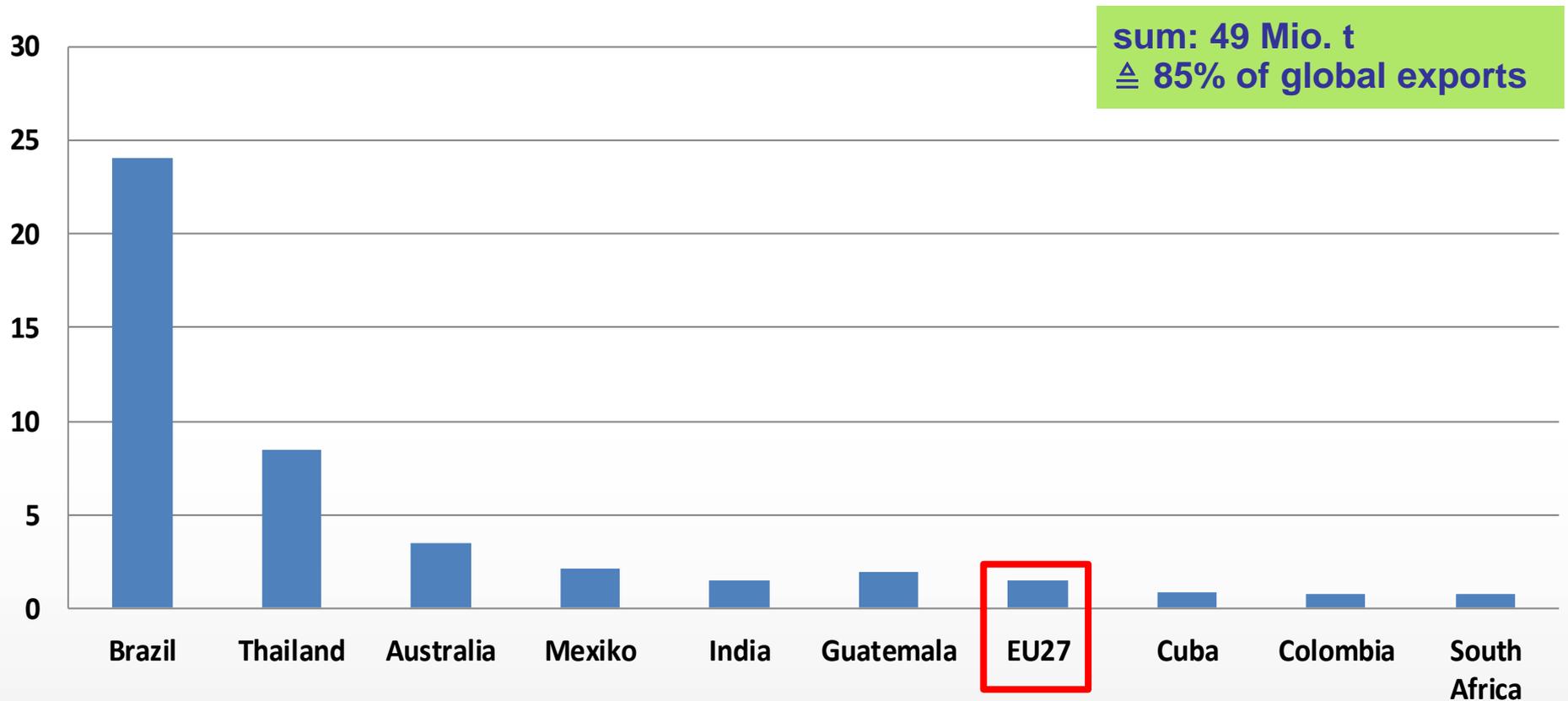
# Top 10 global sugar production (in Mio. t raw sugar equivalent)



- The first 10 countries produce 176 Mio. t (77% of global production)
- Sugar beets make up around 20% of the total sugar production

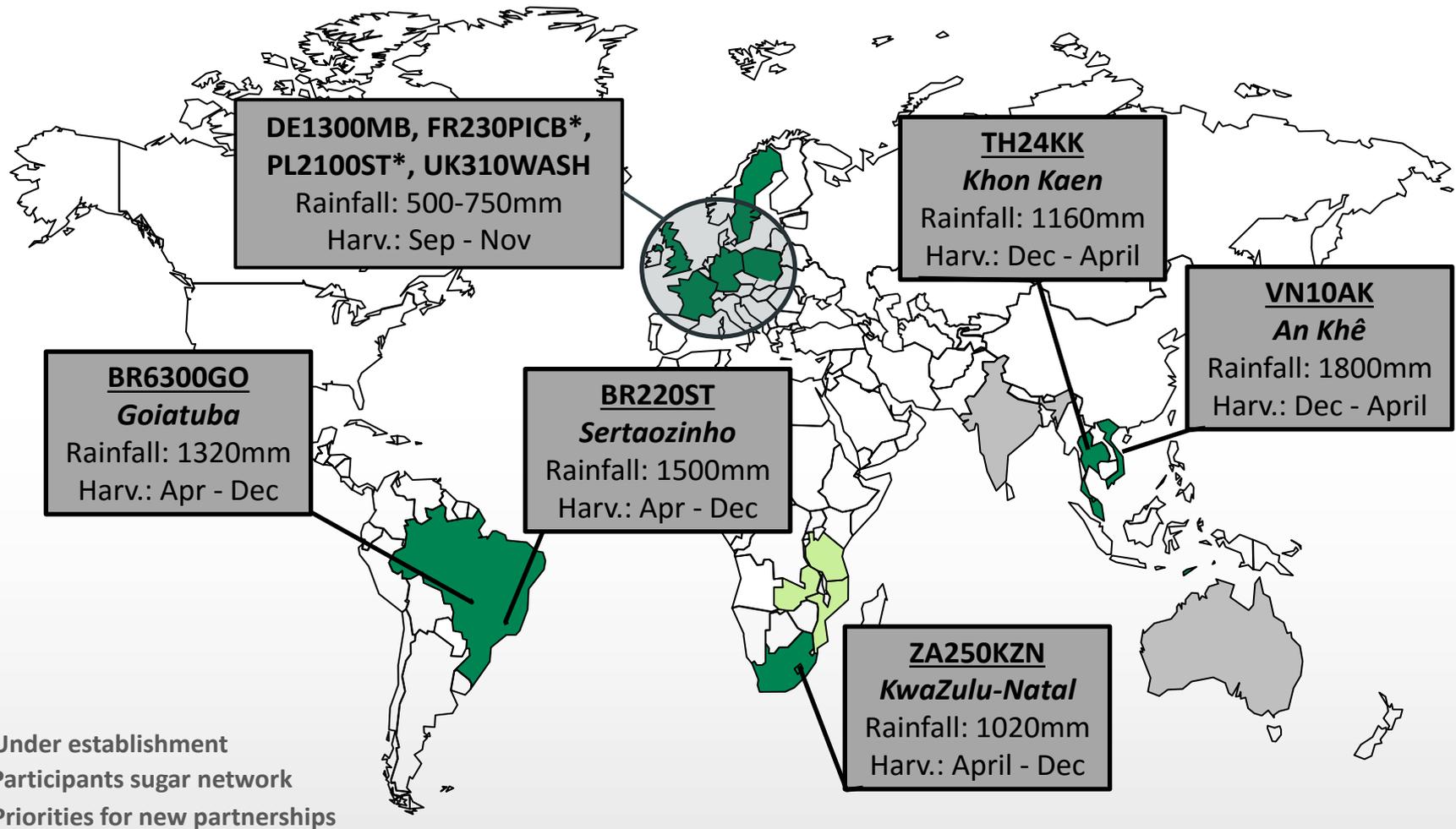
# Top 10 sugar exporters (2014/15)

(in Mio. t raw sugar equivalent)



- Brazil and Thailand are the major exporters
- EU exports around 1.3 Million t (after 2017?)

# Typical sugar farms – *agri benchmark network*



# Sugar network – National Partners

## Brazil



Dr. Carlos Xavier  
UFSCar



Haroldo Torres  
PECEGE/USP

## Thailand



Dr. Pipat  
Weerathaworn  
NRCT

## South Africa



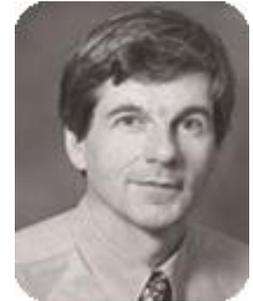
Divan van der  
Westhuizen  
BFAP

## Vietnam



Ngoc Luan Nguyen  
SDCC

## UK



Ben Lang  
University of  
Cambridge

## France



Benoît Pages  
Arvalis

## Poland



Pawel Boczar  
Poznan University

## Sweden



Johann Lagerholm  
VäxtRåd

## Management team

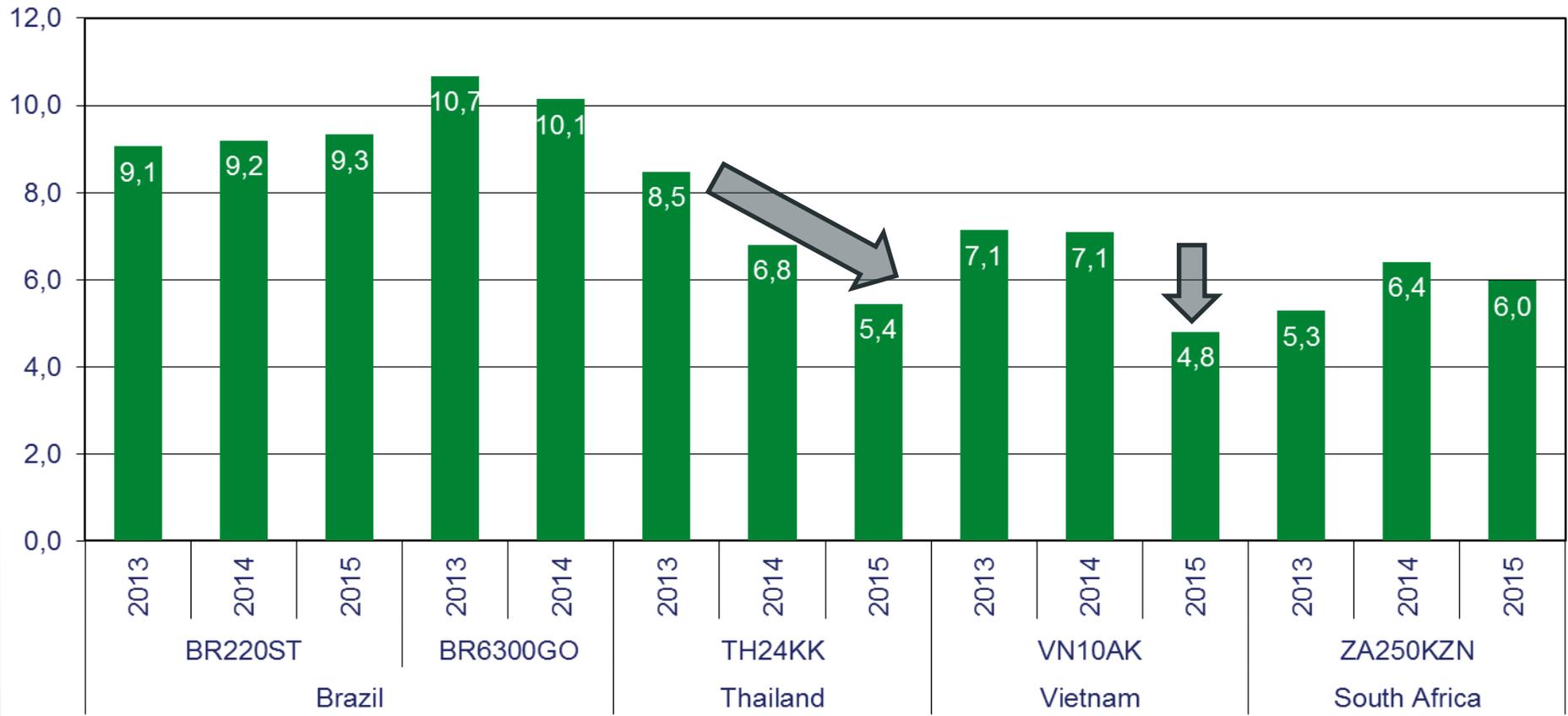


Dr. Thomas de Witte (DE)  
Thünen Insitute



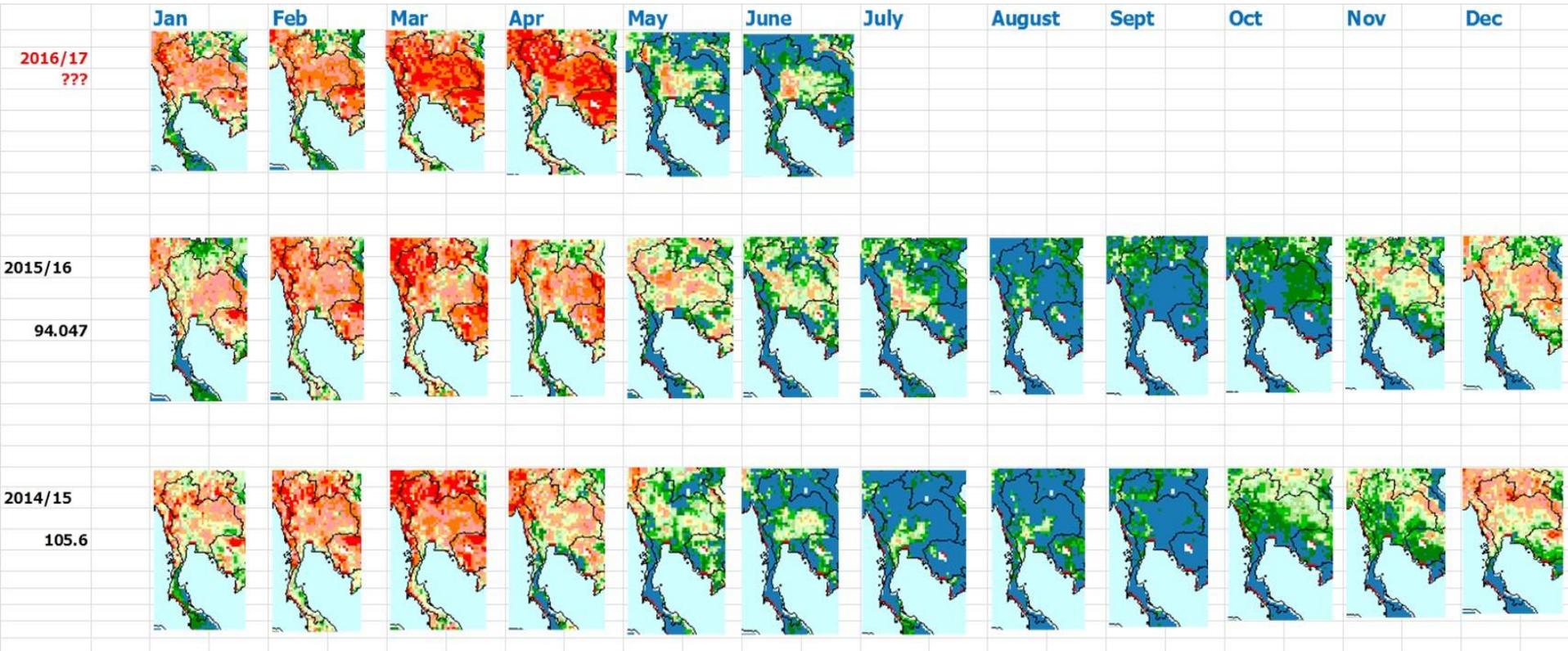
Samuel Balieiro (BR)  
Thünen Insitute

# Yields in t of recoverable sugar/ha



- Brazilian yielded at least 2 t/ha higher than the other countries (2015)
- 2015: Vietnam and Thailand facing serious weather problems

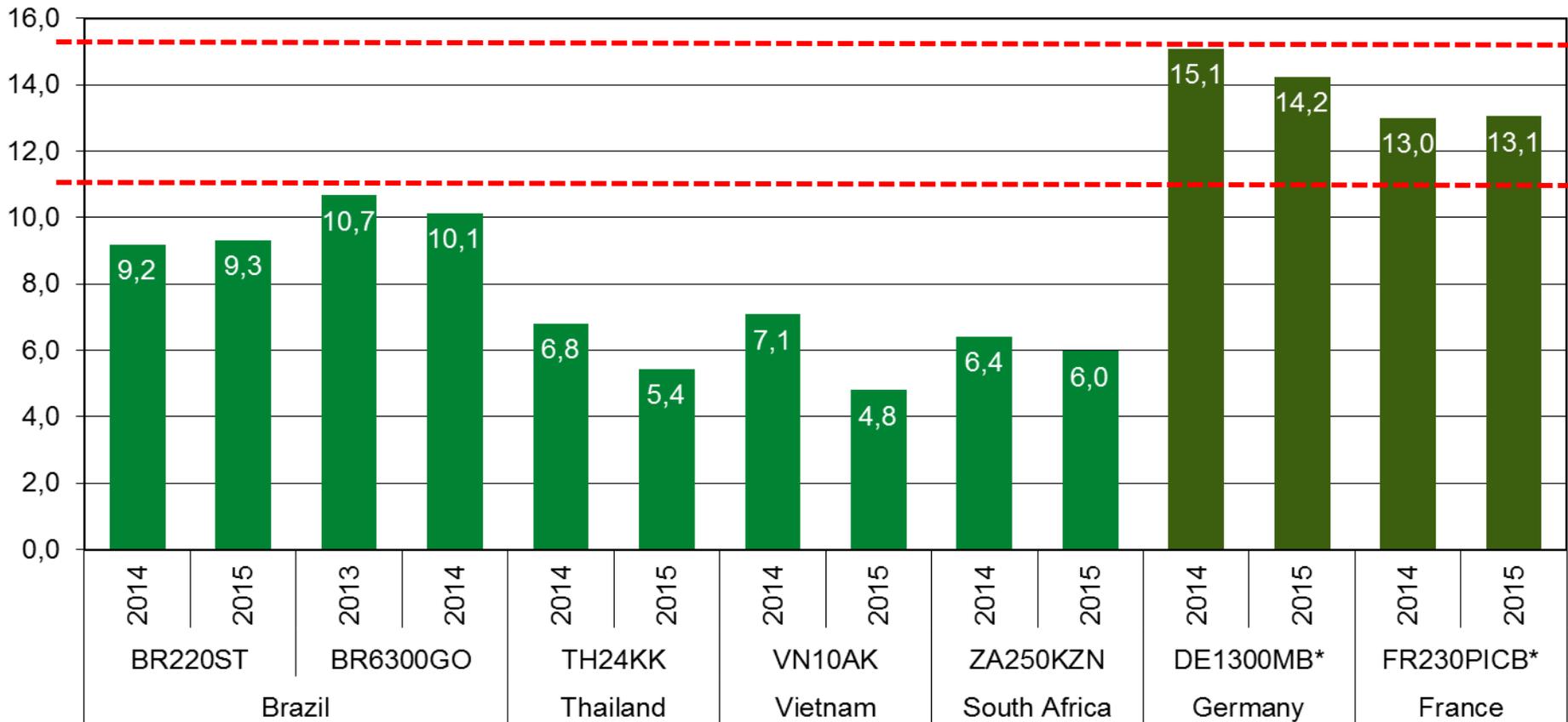
# Soil water availability - Thailand



- Very strong rainfall variation
- Affecting cane plants in important stages of development

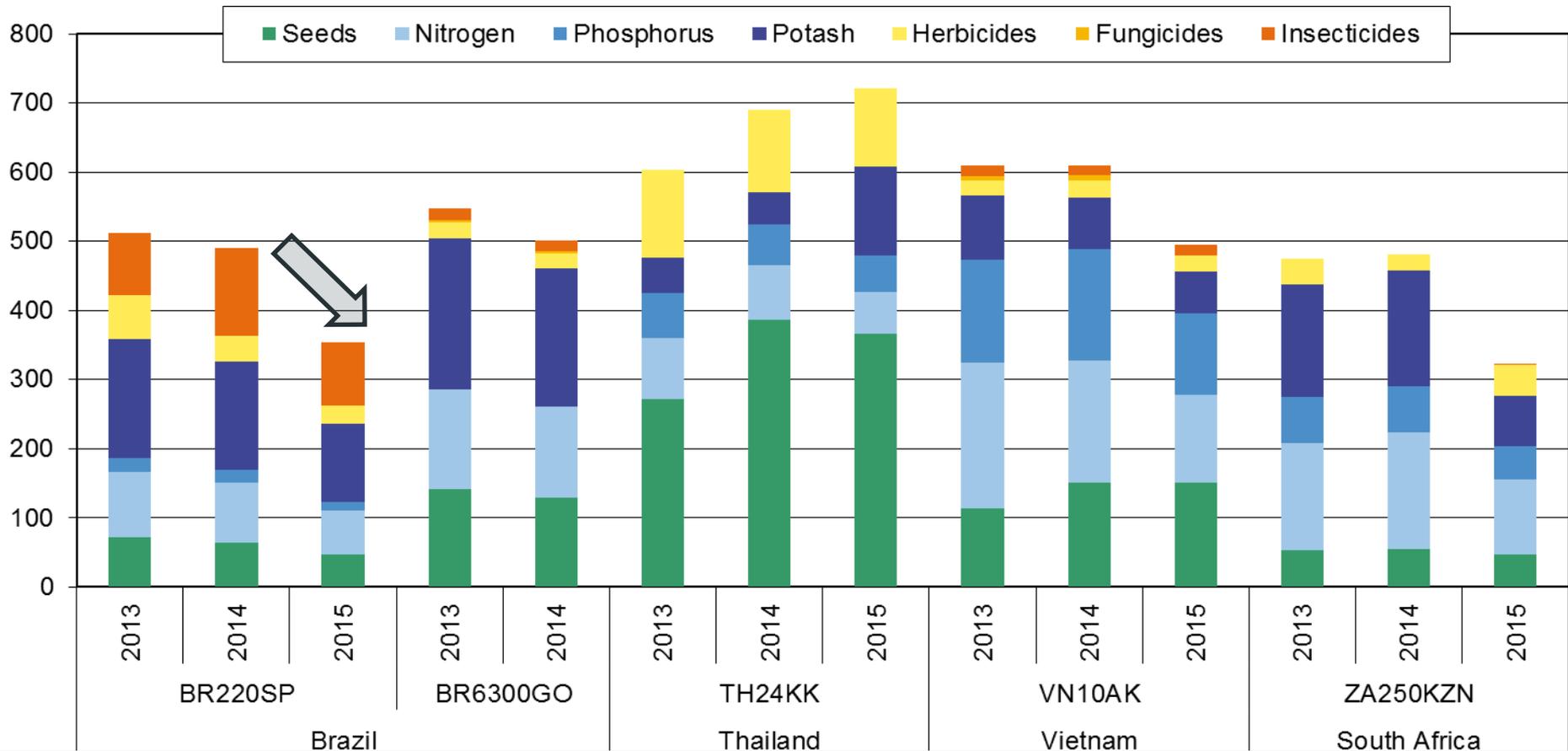


# Yields in t of recoverable sugar/ha (II)



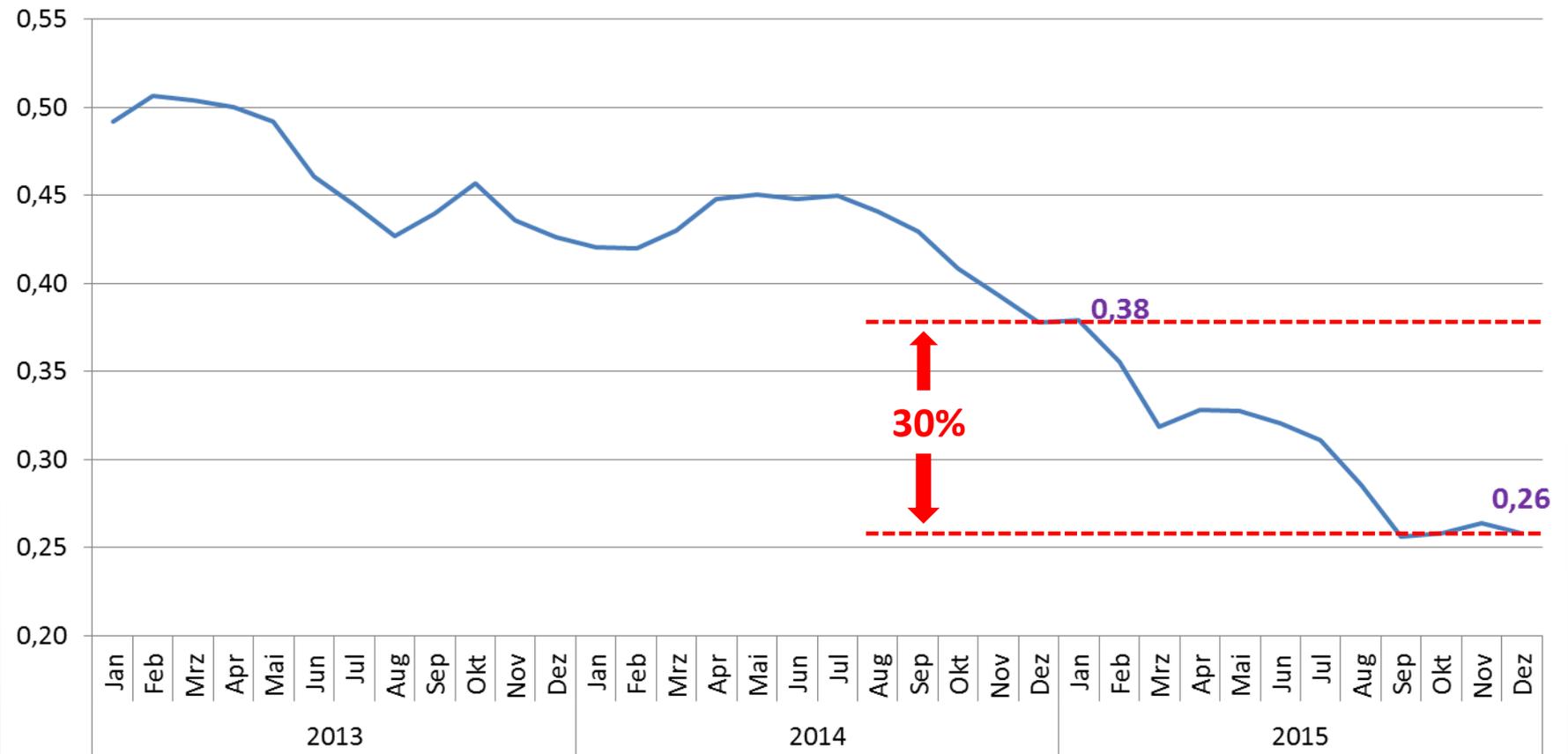
- Sugar beet yields are significantly higher than sugarcane
- 2014 and 2015 were very good years for sugar beet production

# Direct costs (USD/ha) – av. throughout the cycle



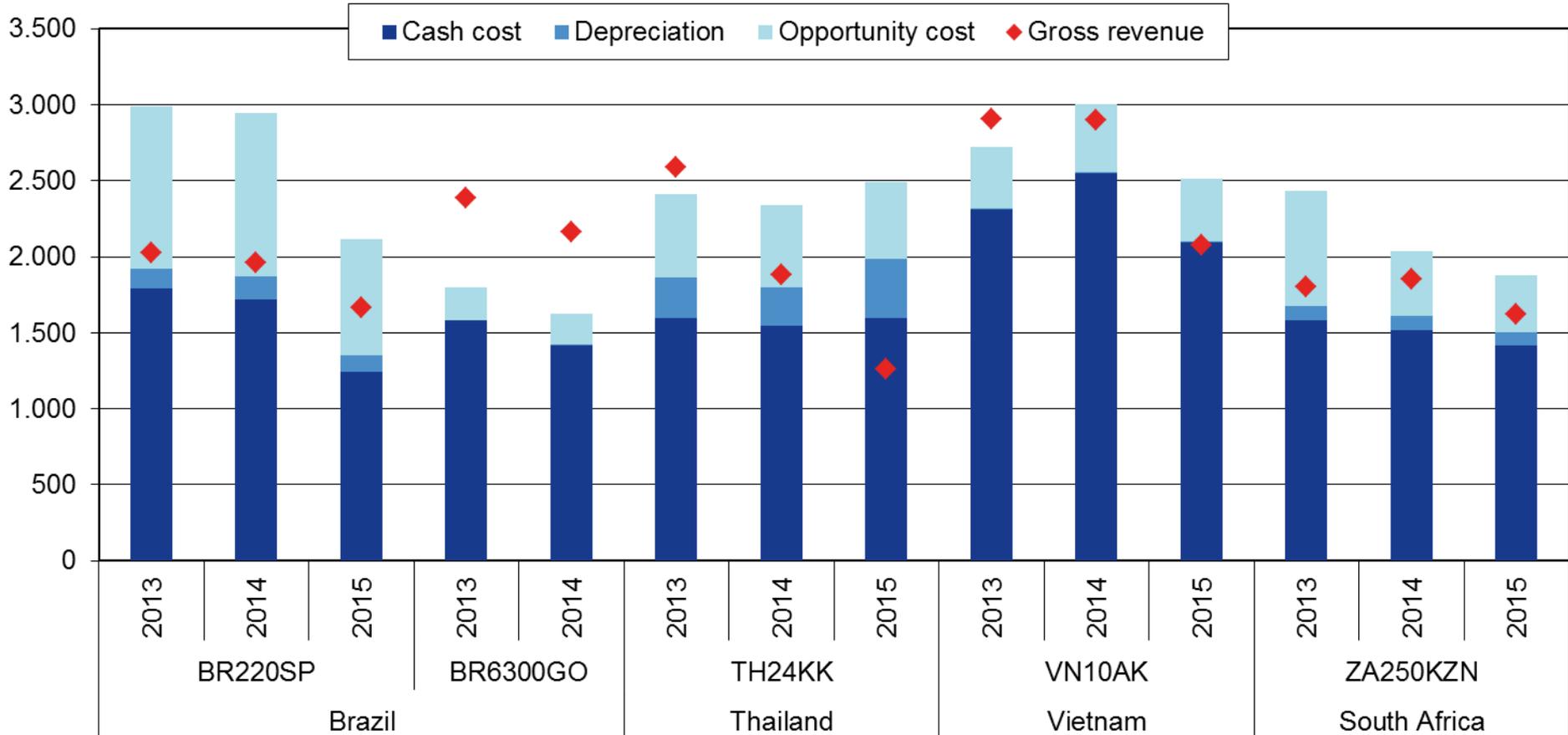
- Seedcane is an important cost component in Thailand
- Brazil and South Africa became more competitive because of exchange rate

# BRL to USD



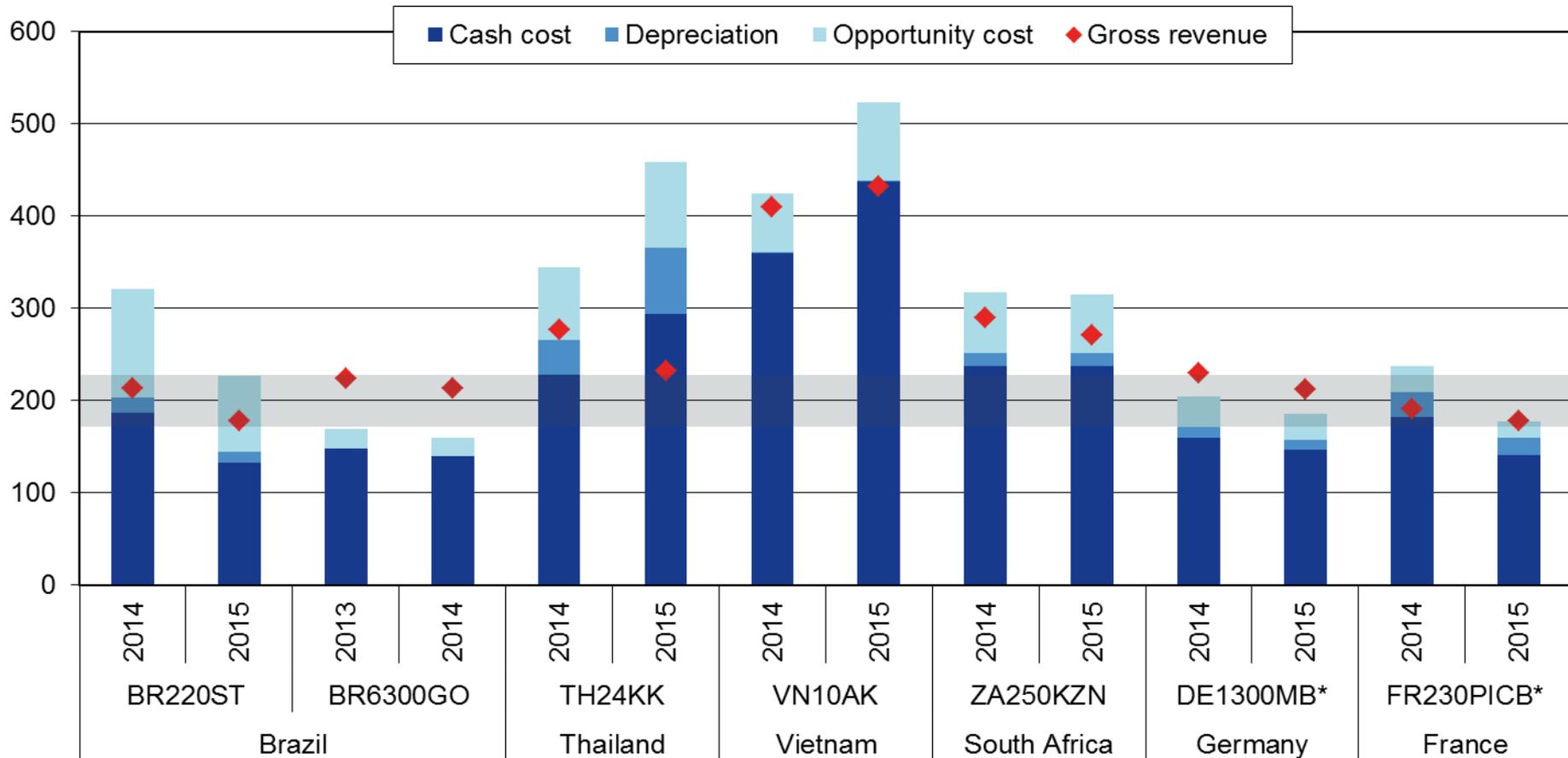
- Brazilian Real lost 30% of its value while compared to USD in one year
- Increase in international competitiveness without technical improvements

# Total costs and gross revenue (USD/ha)



- Thailand and Vietnam with very hard years
- Most farms are covering cash crop and depreciation

# Total costs and gross revenue (USD/t)



- Sugar beet is very competitive in high yielding countries
- Probably differences in processing costs between beet and cane

# Summary

1. Strong droughts have led to a strong negative impact in yields (2015) in the Thai and Vietnamese farms
2. Brazilian farms produce around 2 t of rec. sugar more than the competing countries
3. Apparently there is no major cost disadvantages to use manual harvesting while compared to mechanized
4. Outsourcing operations seems to be a good option to reduce machinery and labor requirements in the farms
5. Most farms are covering cash cost and depreciation
6. EU sugar beet production is at least in the farm level very competitive to sugar cane production

# Knowledge is our business

Thank you for your interest in *agri benchmark*.



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- Member of *agri benchmark* Cash Crop team -

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